

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: West Springfield Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: November 22, 2016

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made quarterly in equal installments each fiscal year. The schedule is effective in FY17 (since the amount under the prior schedule was maintained in FY17) and is acceptable under Chapter 32.

The schedule reflects a reduction in the investment return assumption from 7.875% to 7.75%.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

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# WEST SPRINGFIELD RETIREMENT SYSTEM

FUNDING SCHEDULE with 3(8)(C) - 17 years: 4.13% increases

7.75% Discount Rate; RP-2000 Mortality Table Projected with Scale BB and Generational

Fiscal Year	Normal Cost	Unfunded Liability*	Funding Amortization of UAAL	Net 3(8)(C) Payments	Schedule Contribution**	Adjusted Payments***	% Change
2018	1,375,135	65,708,011	5,143,440	(2,277)	6,516,298	6,699,817	4.13%
2019	1,430,140	65,258,325	5,357,558	(2,277)	6,785,422	6,976,519	4.13%
2020	1,487,346	64,791,556	5,580,591	(2,277)	7,065,660	7,264,650	4.13%
2021	1,546,840	63,799,816	5,812,908	(2,277)	7,357,471	7,564,680	4.13%
2022	1,608,713	64,671,991	6,054,898	(2,277)	7,661,335	7,877,101	4.13%
2023	1,673,062	63,159,917	6,306,963	(2,277)	7,977,748	8,202,425	4.13%
2024	1,739,984	61,259,058	6,569,521	(2,277)	8,307,229	8,541,185	4.13%
2025	1,809,584	58,927,975	6,843,011	(2,277)	8,650,317	8,893,936	4.13%
2026	1,881,967	56,121,550	7,127,885	(2,277)	9,007,576	9,261,256	4.13%
2027	1,957,246	52,790,673	7,424,620	(2,277)	9,379,588	9,643,746	4.13%
2028	2,035,536	48,881,923	7,733,707	(2,277)	9,766,965	10,042,032	4.13%
2029	2,116,957	44,337,203	8,055,661	(2,277)	10,170,341	10,456,768	4.13%
2030	2,201,635	39,093,361	8,391,018	(2,277)	10,590,376	10,888,633	4.13%
2031	2,289,701	33,081,775	8,740,335	(2,277)	11,027,759	11,338,333	4.13%
2032	2,381,289	26,227,902	9,104,193	(2,277)	11,483,205	11,806,607	4.13%
2033	2,476,540	18,450,796	9,483,198	(2,277)	11,957,462	12,294,219	4.13%
2034	2,575,602	9,662,586	9,662,586	(2,277)	12,235,911	12,580,511	2.33%
2035	2,678,626	-	-	(2,277)	2,676,349	2,751,723	-78.13%

## Amortization of Unfunded Liability as of July 1, 2017

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2005	ERI-Housing	5,937	0.00%	15	5,937	2
2005	ERI	127,524	0.00%	15	127,524	2
2018	Fresh Start	N/A	N/A	17	N/A	17

\* Includes recognition of the following asset gains/(losses) in Fiscal 2020 and 2022:

2020	(\$248,481)
2022	(\$2,191,098)

\*\* Contributions are set to be the amount resulting from a 4.13% increase on the prior year's contribution. The contribution in FY2034 increases by 2.33%.

\*\*\* Assumes 4 equal payments paid quarterly starting in July 2017